

DECLARATION OF NICK KNOPICK

I, Nick Knopick, hereby swear and depose as follows:

1. I make this declaration pursuant to 28 U.S.C. § 1746 upon my personal knowledge of the facts. I am over the age of 18 and am competent to testify to the facts stated herein.
2. I am a citizen of the United States and a resident of the Commonwealth of Pennsylvania.
3. I purchased Bull Shoals Hardware from Billy Silzell on January 28, 2008.
4. At the time, the store had an inventory of approximately \$351,000.
5. At some point in 2008 or 2009, the computer used for inventory went missing or was lost.
6. Jeff Schlote leased the store from me and opened the store from October 2008 until June 2009.
7. Mike Breedlove leased the store from me from July 1, 2009 until August 21, 2010.
8. Since I bought the store in January of 2008, a total of \$402,949.87 worth of replacement inventory was purchased from Orgill, Inc.
9. I additionally purchased \$932 in inventory from the Liquid Fence product line and \$1,470 in inventory from the AES lawn mower shop. When combined with Orgill and the initial inventory, this created a total inventory of \$763,893.87.
10. Since the termination of Mike Breedlove's lease, the company RGIS has done an inventory. Current inventory is at \$207,978.68, which is \$555,915.19 less than

the combination of the original inventory and replacement inventory purchased from Orgill, Liquid Fence, and AES.

11. The inventory does not include the ECHO product line.

12. \$20,119.96 was purchased in ECHO inventory with the first delivery on or about July 4, 2009 (after the beginning of Mike Breedlove's lease).

13. Since the termination of Mike Breedlove's lease, the ECHO inventory was \$6,772.23, which is \$13,347.73 less than the inventory purchased.

14. I also purchased propane with checks for \$1,083 and \$8,861 for a total of \$9944.

15. Since the termination of Mike Breedlove's lease I have discovered that there was no remaining propane to sell after his departure.

16. Subtracting the value of all current inventory from the cost of the original and replacement inventory, the current inventory is \$579,206.92 less than the original.

17. All of these numbers are only the store cost to purchase the inventory. None of these numbers reflect the profit margin for the sale of the inventory.

18. Although there is variation from product to product, the standard profit margin for hardware sales is approximately a 1:1 markup.

19. Thus, if the store sold \$579,206.92 in inventory, the store should have generated approximately \$1,158,413.84 in revenue.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 6-27-13
Date


Nick Knopick